



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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To: All Employees

From: DSD, Support Services

Subject: FSA Open Season - November 13 to December 11, 2006

The Federal Flexible Spending Account Program (FSAFEDS) open season begins November 13 and will end on December 11, 2006. During this open enrollment period eligible employees may make an election and receive reimbursements for expenses incurred during the 2007 Benefit Period.

**What are flexible spending accounts?** They are accounts established that allow eligible employees to set aside pre-tax money to pay for out-of-pocket health and dependent care expenses. With an FSA, you can reduce your taxes while paying for services you would have to pay for anyway. FSAFEDS offers a *Health Care FSA (HCFSA)*, a *Limited Expense Health Care FSA (LEX HCFSA)*, and a *Dependent Care FSA (DCFSA)*.

**Who is eligible to enroll in the program?** Employees who are eligible for Federal health benefits (FEHB) whether enrolled or not may elect to enroll in a Health Care FSA. All employees with qualified dependents, even if they are not eligible for FEHB may enroll in a Dependent Care FSA except for intermittent employees who are expected to work fewer than six months.

The **Health Care FSA (HCFSA)** pays for health care expenses not covered by the FEHB Program, the new Federal Employees Dental and Vision Insurance Program (FEDVIP) or any other insurance. Insurance premiums, including premiums for long term care insurance, are not qualified medical expenses. Some examples of qualified medical expenses include dental services, vision services, chiropractic care and over-the-counter medications. You may elect up to \$5,000 each year. The minimum annual amount is \$250.

The **Limited Expense Health Care FSA (LEX HCFSA)** is available only to employees who are enrolled in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). With a LEX HCFSA, you can pay for eligible dental and vision expenses not covered by other insurance. For more information on HSAs, visit [www.opm.gov/hsa](http://www.opm.gov/hsa). The annual limit is \$5,000.

The **Dependent Care FSA (DCFSA)** allows participants to be reimbursed on a pre-tax basis for child care or adult dependent care expenses that are necessary to allow the employee and his/her spouse to work, look for work, or attend school full-time. A qualifying adult is a parent or a sibling, who is physically or mentally incapable of caring for him or herself and is claimed as a dependent on your income tax return. The DCFSA minimum annual amount is \$250 and the maximum annual amount is \$5,000.

**How do I enroll?** Eligible employees who wish to enroll during this Open Season may do so in one of two ways:

- Online at [www.FSAFEDS.com](http://www.FSAFEDS.com) by clicking the “Enroll Now” link; or
- By calling an FSAFEDS benefits counselor at 1-877-372-3337 (TTY 1-800-952-0450), Monday through Friday from 9:00am to 9:00pm EST.

**Enrollment Effective Date:** Open season enrollments are effective on January 1, 2007, for the Benefit Period that runs from January 1 through December 31, 2007.

If you were unable to enroll during Open Season for reasons outside of your control, you may qualify for a Belated Enrollment. If you wish to make a Belated Enrollment due to extenuating circumstances, you must complete the Belated Enrollment Form available at [www.FSAFEDS.com](http://www.FSAFEDS.com).

**Participation in FSA is not automatic.** Employees must make a new election each year. The elections are irrevocable once the Benefit Period has begun, unless the employee experiences a qualifying life event. These include change in marital status, change in number of dependents and change in employment status that affects your eligibility for benefits. The contractor will be responsible for determining if a life event has occurred.

**The 2½ months Grace Period.** You will forfeit any money that you do not use in your account(s) by the end of the Benefit Period. This is known as the “Use-It-or-Lose-It” rule. The Grace Period allows you 2 ½ additional months (January 1 – March 15) to incur eligible expenses that can be applied towards the previous Benefit Period. You have until May 31 following the end of the Benefit Period to file claims for reimbursement for eligible expenses incurred during the previous Benefit Period.

Visit the FSAFEDS website at [www.FSAFEDS.com](http://www.FSAFEDS.com) to obtain detailed information regarding the FSAFEDS program.

If you have any questions regarding this bulletin, please contact Angie Dailly in the Human Resources staff at (916) 978-4476.

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